



State of Idaho
DEPARTMENT OF LANDS
BOND OF OIL AND GAS LESSEE
BOND NO. _____
Idaho Oil and Gas Lease No(s). _____

KNOW ALL MEN BY THESE PRESENTS, That we _____, as principal and _____, a corporation organized under the laws of the State of _____, and having its principal place of business in the State of _____, in the City of _____, as surety are held and firmly bound unto the State of Idaho, in the sum of _____ dollars (\$_____) lawful money of the United States, conditioned on the payment of all damages to the surface and improvements thereon of lands described in the oil and gas lease specified. For such payment, well and truly to be made, we bind ourselves, our and each of our heirs, executors, administrators, successors and assignees, and the case may be, jointly and severally, firmly by these presents.

THE CONDITION of the foregoing obligation is such that:

WHEREAS, by lease bearing the above serial number, the lessee was granted the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas and hydrocarbon deposits in or under the leased lands, under and pursuant to the provisions and requirements of Title 47, Chapter 8, **Idaho Code** and the Idaho State Board of Land Commissioners Rules and Regulations Governing Oil and Gas Leases, IDAPA 20.03.16; and

WHEREAS, said lessee has, by virtue of the lease above referred to, entered into certain covenants and agreements set forth in such lease, under which operations are to be conducted. It is understood and agreed by the surety and the principal, if there is outstanding reclamation on the premises, and if royalties are due, this bond shall extend to cover all acts for which reclamation is required, or payment of royalties is required, both prior and subsequent to the date of this bond until notified in writing by the Idaho Department of Lands that reclamation has been completed and/or royalties paid or the bond has been replaced. The department may require payment of the entire sum of this bond, or portions thereof, upon written notice to the surety, by the department, of the lessee's failure to perform reclamation obligations and/or pay royalties under Idaho Code title 47, chapter 8 or the Administrative Rules.

The surety shall pay to the Department of Lands the sum of this bond, or portions thereof, as requested by the department within 30 days of receipt of such written notice. In the event of a partial distribution, the remaining funds and liabilities shall not be released until the department notifies the surety in writing of release of remaining liability or requires

payment of the remaining bond liabilities. Payment of the full sum of the bond to the department shall release the surety of all liabilities and obligations.

WHEREAS, the said principal in consideration of being permitted, in lieu of the lessee, to furnish this Bond agrees and by these presents does hereby bond himself to fulfill on behalf of the lessee all of the obligations of the said lease in the same manner and to the same extent as though he were the lessee.

NOW THEREFORE, if the above principal shall in good faith observe, carry out and comply with all the laws now existing or hereafter enacted, designed or intended for the protection of the surface owner of said lands against damage and resulting loss caused by any operations carried on under said oil and gas lease, or if any such damage and resulting loss shall so occur nevertheless, for which damage and loss reimbursement is required and made, then this obligation shall become void, otherwise to remain in full force and effect; and the liability of the surety under this Bond for any one or more defaults of the principal under said lease shall not exceed in the aggregate the sum stated herein above. It is further provided, however, that the Bond may be cancelled by the surety by the service of written notice of cancellation upon the Director of the Department of Lands of the State of Idaho, such cancellation to be effective at the expiration of sixty (60) days after the service of such cancellation notice by the surety on the Director by registered mail. Such cancellation notice, however, shall not affect any liability that shall have accrued under this Bond prior to the effective date of cancellation.

Signed on this _____ day of _____, 20__.

 (Signature of Principal)

 (Signature of Surety)

 (Business Address)

 (Business Address)

ACKNOWLEDGEMENT OF SURETY

State of _____)
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 County of _____)

On this _____ day of _____, in the year 20____, before me, a Notary Public, personally appeared _____, known to me to be the _____ of the corporation that executed the instrument, or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same, or the individual who executed the instrument on their own behalf.

In Witness Whereof, I have hereunto set my hand and affixed my official seal of day and year first above written.

Notary Public For _____ Residing at: _____
My Commission expires _____, 20_____